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Strengthening of the United Nations system

Strengthening of the United Nations: an agenda for further change

Intergovernmental review of the medium-term plan and the programme budget

Report of the Secretary-General

Summary

The present report has been prepared pursuant to paragraph 37 of General Assembly resolution 57/300, by which the Assembly noted the proposal for a single-stage intergovernmental review of the programme budget and medium-term plan contained in paragraph 22 of the Secretary-General's report (A/57/387) and requested him to submit a report clarifying that proposal for consideration by the Assembly at its resumed fifty-seventh session. The present report provides additional information and recommends that the role of the Committee for Programme and Coordination be redefined.

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I. Introduction

1. In his report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387), the Secretary-General summarized the achievements of the Organization since the programme of reform that he had proposed in 1997, particularly with respect to the changes that fell within his responsibility. He also outlined a number of additional improvements aimed at ensuring that the Secretariat gives better service to the intergovernmental organs.

2. In its resolution 57/300, the General Assembly commended the Secretary-General's efforts and initiatives aimed at further reforming the United Nations. Among those initiatives were recommendations for improving the current budgeting and planning process.

3. The process for review of the medium-term plan and the programme budget of the Organization has become burdensome not only for Member States, who spend a significant amount of time considering those documents, but also for the Secretariat, which provides substantive and technical support for all the formal and informal meetings. In spite of the in-depth and detailed review process, the deliberations have had little effect on the strategic direction or outcome of the work of the Organization.

4. The present report has been prepared pursuant to paragraph 37 of the above-mentioned resolution, by which the Assembly noted the proposal for a single-stage intergovernmental review of the programme budget and medium-term plan contained in paragraph 22 of the Secretary-General's report (A/57/387) and requested him to submit a report clarifying that proposal for consideration by the Assembly at its resumed fifty-seventh session.

5. The present report responds to the request of the Assembly, and expands on the responses to issues raised and supplementary information contained in document A/57/CRP.3 concerning actions 21 and 22 of the Secretary-General's report (A/57/387).

II. Intergovernmental review of the medium-term plan and the programme budget

6. In its resolution 2008 (LX), the Economic and Social Council adopted the terms of reference of the Committee for Programme and Coordination (CPC), a subsidiary organ of the Council and of the General Assembly for planning, programming and coordination. The matters seized by CPC include the medium-term plan, the biennial programme budget, establishment of priorities, evaluation procedures, coordination within the United Nations system and the work of the Joint Inspection Unit. In addition, and according to General Assembly resolution 41/213, CPC also considers the budget outline of the programme budget.

7. In paragraphs 155 to 165 of his report (A/57/387), the Secretary-General drew attention to the current procedures and processes for programme planning and budgeting, which have become complex, protracted, disjointed, time-consuming and rigid. The excessive paperwork and the inordinate amount of time given to detailed and in-depth consideration of the medium-term plan and the programme budget by the Fifth Committee and CPC, with support from the Secretariat, have not

encouraged a rigorous, strategic approach to establishing priorities or to allocating resources accordingly.

8. The four-year medium-term plan and revisions thereto are reviewed in detail not only by specialized intergovernmental bodies within their respective sphere of competence but also by CPC, the respective main committees of the General Assembly, within their sphere of competence, and the Fifth Committee. The biennial budget outline and the biennial programme budgets are also reviewed by CPC and the Fifth Committee. Member States therefore review planning and budgeting documents at least twice.

9. Such reviews have tended to focus on details that do not have a significant impact on the programme of work or on the overall level of resources, and have thus inhibited Member States from addressing strategic issues, assessing the results achieved or determining the continuing validity of legislative decisions.

10. Although the medium-term plan and revisions thereto are considered in the same year as the budget outline, each document is reviewed separately by each of the above-mentioned review bodies. Not only are the reviews duplicative and time-consuming but there is no obvious connection between the four-year plan and the two-year budget outline for the allocation of resources.

11. In keeping with the General Assembly's endorsement, in its resolution 55/231, of the use of results-based budgeting as a management tool for programme managers to clearly specify the objectives, expected accomplishments and indicators of achievement prior to the implementation of their programmes, as well as for Member States to focus on strategic issues, policy direction for the work of the Organization and the results achieved, there is a need to further enhance and facilitate intergovernmental review and decision-making.

12. The Secretary-General therefore identified, under action 21 of his report (A/57/387), several possible ways to simplify and improve the current process of planning and budgeting, including the following features:

(a) A shorter, more strategic medium-term plan covering two years rather than four, and submitted closer to the period to which it relates;

(b) A budget outline that could be combined with the medium-term plan;

(c) A shorter, more strategic budget, with supplementary detail provided separately;

(d) The flexibility to reallocate resources between programmes and between allocations for personnel and other allocations by up to 10 per cent within a single budgetary period;

(e) A strengthened system of evaluation and monitoring to better measure the impact of our work.

13. In action 21, the Secretary-General proposed that the medium-term plan be a shorter plan covering two years instead of four and combined with the budget outline. That proposal to address the disconnection between the plan and resources would enable the review bodies to take a more strategic and coherent approach to the work of the Organization and its related resources. A report on the modalities for a shorter plan combined with the budget outline will be submitted to the General Assembly for consideration at its fifty-eighth session. The Secretary-General will

also be submitting reports to the General Assembly at its fifty-eighth session on the other issues mentioned in paragraph 12 above, as requested by the Assembly in its resolution 57/300.

14. Consistent with the approach taken in action 21 outlined above, the Secretary-General has also proposed, in action 22, that the intergovernmental review of plans and budgets currently performed by both the Fifth Committee and CPC be absorbed under the aegis of the Fifth Committee.

III. Role of the Committee for Programme and Coordination

15. To further facilitate the deliberations by Member States and to avoid duplication and time-consuming efforts for their review, CPC would no longer have responsibility for reviewing the medium-term plan, the budget outline and the programme budgets. While specialized intergovernmental bodies would continue to review the relevant portions of the plan and programme of work within their own area of expertise, it is proposed that the entire plan and budget would henceforth be subject to a single-stage intergovernmental review by the Fifth Committee, which would continue to take into account, as is currently the case, the technical recommendations of the Advisory Committee on Administrative and Budgetary Questions.

16. A significant amount of time is spent reviewing the plan and budget prior to their adoption and subsequent implementation. Disproportionately, hardly any time is devoted to the assessment of the results achieved at the end of the budget or plan period. Furthermore, the existing systems for reporting and evaluating the performance of programmes have had no practical impact on future plans and resource allocation decisions.

17. The introduction of results-based budgeting has brought about significant improvements in the manner in which the budget is prepared and presented. For the biennium 2002-2003, for each subprogramme, expected accomplishments and performance indicators were identified. That presentation was further refined in the 2004-2005 programme budget by the augmentation of indicators of achievements with quantified performance measures, which provide a good basis for determining whether and to what extent the objectives set under each subprogramme are achieved.

18. The role of CPC could be strengthened and its efficiency enhanced in the assessment of the results achieved at the end of the budget or plan period. That could be achieved by having the Committee place greater emphasis on programme monitoring of results and devote significantly more of its work to that area, time that the discontinuation of reviewing the budget and medium-term plan would provide. Monitoring and evaluation require more intensive deliberations. CPC could rearrange its programme of work, enhance its working methods and guide the Secretariat in further refining the basic elements of results-based budgeting and developing tools for measuring results. That would also be in keeping with the Secretary-General's recommendation in action 21 (c) for a strengthened system of evaluation and monitoring that would better measure the impact of the work of the Organization.

19. CPC would continue to hold annual sessions, but there would be a shift in its programme of work to concentrate on monitoring and evaluation. In that connection, it is recalled that, in its resolution 57/300, the Assembly also invited CPC to improve its working methods. When so doing, the Committee may wish to also review the size and composition of its membership and current participation arrangements.

IV. Conclusion

20. **It is recommended that the General Assembly approve the proposal of the Secretary-General for a single-stage intergovernmental review of the medium-term plan, the budget outline and the programme budget, to become effective in the year 2004, and that the Assembly review the functions of the Committee for Programme and Coordination with a view to enhancing its effectiveness in the areas of monitoring and evaluation**.